विश्वासाचे प्रतिक

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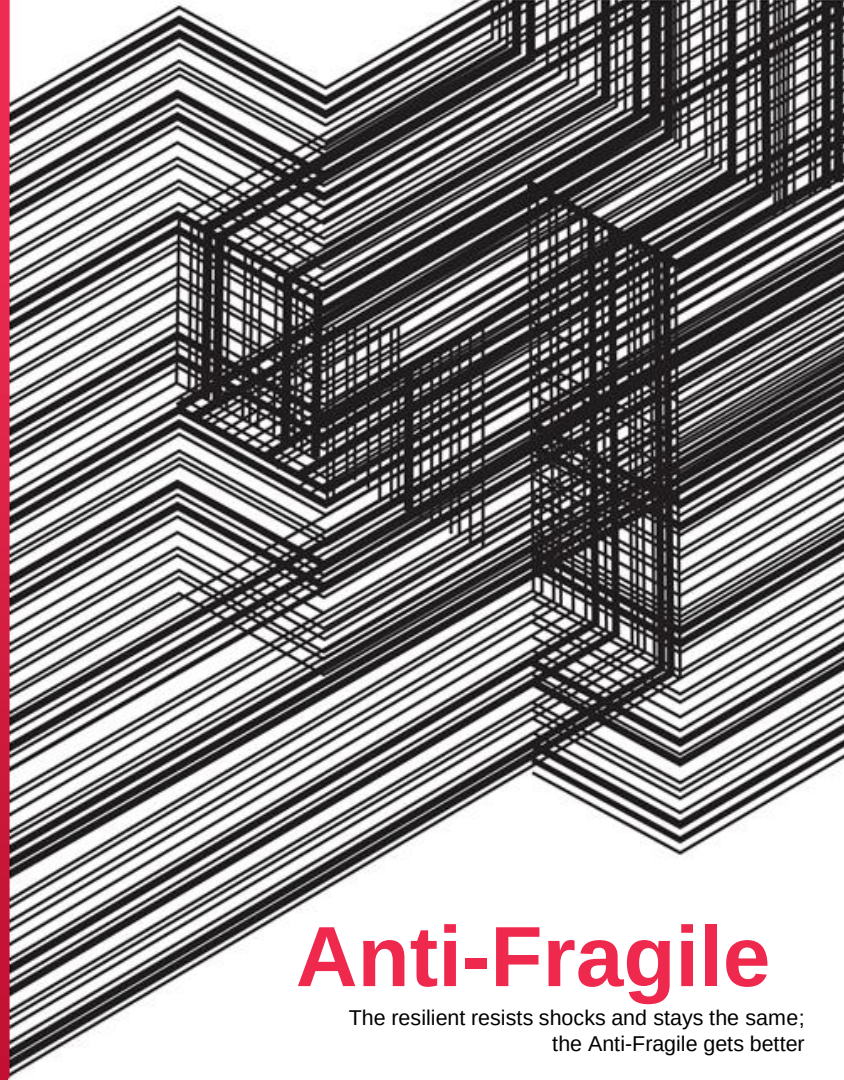
Creation, not Construction

Kolte-Patil Developers Limited

Q2 & H1 FY21
Results Presentation



Anti-Fragile

The resilient resists shocks and stays the same;
the Anti-Fragile gets better

Disclaimer

Certain statements in this communication may be ‘forward looking statements’ within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company’s operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labor relations.

Kolte-Patil Developers Limited (KPDL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances

Life Republic - Pune

Jai Vijay - Mumbai

RAAGA - Bengaluru

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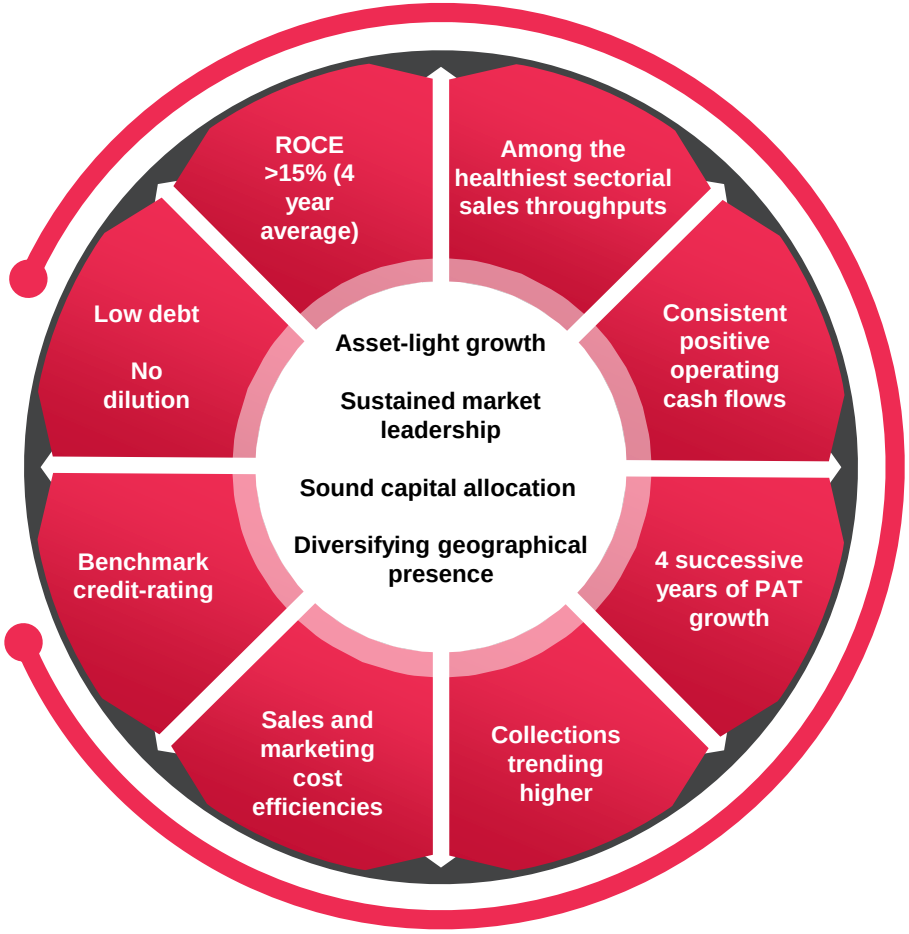
Anti-Fragile - Sustained sectorial outperformance across market cycles



Kolte-Patil Developers: At a Glance

Leading

Residential real estate player in Pune
(Awarded as Most Reputed Brand in Pune)

3 Decades

of presence being incorporated in 1991

26 MSF

Project portfolio - under execution, approval and land bank

>20 MSF

of units delivered across Pune, Bengaluru and Mumbai

15+%

Four year RoCE avg – strong returns profile

A+/Stable

Highest rated residential player By CRISIL

Diversifying Presence

Mumbai and Bengaluru expected to grow to ~25% of sales by 2022

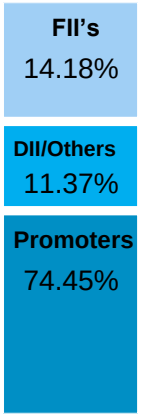
Key Investors

Pabrai Funds – 10.0%
Goldman Sachs – 3.6%

NSE/BSE Listed

IPO in Dec 2007

Shareholding



CEO's Message

"We are happy to report an encouraging improvement in Q2FY21 performance on a QoQ basis across all operational parameters. Sales traction in Q2 improved over Q1 both in terms of area and value. In Q2FY21 sales volume at 0.35 msf was up 12% QoQ and sales value at Rs. 194 crore was up 18% QoQ. Buyer interest is getting more widespread, driven by increasing site visits and virtual interactions. The October sales numbers are near pre-Covid levels and we expect the current momentum to sustain. H2FY21 sales are also expected to be stronger on account planned launches across Pune and Mumbai.

At KPDL we have a track record of efficient and timely execution through the years. Construction activities picked up pace significantly as we have managed to mobilize 80% of the labourers at most of our sites and more than pre-Covid number at our Life Republic township project. Pick up in sales and execution benefitted collections. Collections in Q2FY21 at Rs. 201 crore have nearly doubled over Q1 and have been better than what we had envisaged earlier. We are glad to share, the month of October has seen us reach pre-Covid levels of business and execution, with collections crossing Rs. 110 crore. We are expecting to sustain this momentum and report strong collections for the remainder of the year and deliver healthy free cash flows as well in a very difficult year.

Our Mumbai story continues to shape well and we have a solid portfolio of society re-development projects in prime suburban locations. We have already achieved key milestones, including IOD, Tree NOC and MOEF approvals for Om Shree Gokul, Sagar Vaibhav and Hari Ratan societies and CC for Om Shree Gokul. Further, vacation notices have been served to the residents/tenants of Sagar Vaibhav and Hari Ratan and post vacation, we will be obtaining CC approvals of these societies. We are on track to start execution at all the three projects as the new calendar year starts. These three projects aggregate to a topline potential of over ~Rs. 1,100 crore.

We are happy with the progress we have made w.r.t. business development since the lockdown started. We are looking forward to announce meaningful (both in terms of area and value) capital light additions to our portfolio before FY21 ends.

Going forward, we see the structural demand theme of the sector developing on the back of several drivers. A combination of the lowest inflation-adjusted home prices in many years, sharp decline in interest rates and stamp duty cuts have considerably improved affordability and overall consumer sentiment. Branded developers with stronger balance sheets like us have consistently enjoyed buyers' confidence and we expect our holistic, 360-degree approach to allow market share gains and generate significant long-term value for stakeholders."

Commenting on the performance for Q2 FY21 Mr. Gopal Sarda, Group CEO, Kolte-Patil Developers Limited said:

Operational Highlights – Q2 FY21

New area sales	Q2 FY21	Q1 FY21	Q2 FY20	YoY	QoQ	H1 FY21	H1 FY20	YoY
Volume (million sq. ft.)	0.35	0.31	0.50	-28.9%	12.2%	0.67	1.00	-33.4%
Value (Rs. million)	1,944	1,642	2,678	-27.4%	18.4%	3,586	5,515	-35.0%
Realization (Rs./Sq. ft.)	5,517	5,228	5,401	2.2%	5.5%	5,381	5,509	-2.3%
Collections (Rs. million)	2,007	1,046	3,096	-35.2%	91.9%	3,053	6,696	-54.4%

- **Sales volumes at 0.35 msf in Q2 FY21; booking value at Rs 194 crore**
  - Driven by Life Republic, Ivy and Bengaluru projects
  - Demand across product segments
- **Q2 FY21 collections were at Rs 201 crore, nearly doubled over Q1 FY21**
  - Led by improvement in labour force, construction and sales
- **For the month of Oct 2020 collections reached pre-Covid levels, surpassing Rs. 110 crore - expect to sustain this momentum for the remainder of the year**
- **H2 FY21 will witness strong collections and construction activity at Life Republic**
  - Labour force strength has significantly improved – presently at 1,400 plus as compared to ~1,200 pre-Covid
- **Collections to also benefit from Bengaluru projects**
  - Faster pace of execution at Exente – expect to finish construction 6 months ahead of RERA timeline
  - Expecting healthy net free cash flow from RTMI inventory of Raaga where we have already received OC
- Planned deliveries of 760 units amounting to 8.5 msf in H2 FY21

Note: *Collections include contribution from DMA projects (Q1 FY20 – Rs. 17 cr, Q2 FY20 – Rs. 16 cr, Q1 FY21 – Rs. 4 cr, Q2 FY21 – Rs. 8 cr)*

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Launch Calendar – Next Nine Months

Pune Projects	Location	Use	Saleable Area (msf.)
Life Republic R10	Hinjewadi, Pune	Residential / Retail	1.4
Giga	Viman Nagar	Commercial	0.60
Boat Club	Boat Club Road	Commercial	0.40
Down Town	Kharadi	Residential / Retail	0.50
Pimple Nilakh	Pimple Nilakh	Residential	0.60
Wagholi	Wagholi	Residential	0.25

Mumbai Projects	Location	Use	Saleable Area (msf.)
Sagar Vaibhav	Dahisar	Residential	0.17
Hari Ratan	Goregaon	Residential / Retail	0.27
Om Shree Gokul	Borivali	Residential / Retail	0.09

Bengaluru Projects	Location	Use	Saleable Area (msf.)
Raaga 3	Hennur Road	Residential	0.25

- Launches planned across all 3 cities of presence – Pune, Mumbai & Bengaluru
- Saleable area of ~4.5 msf
- Aggregate topline potential of over ~Rs. 4,150 crore

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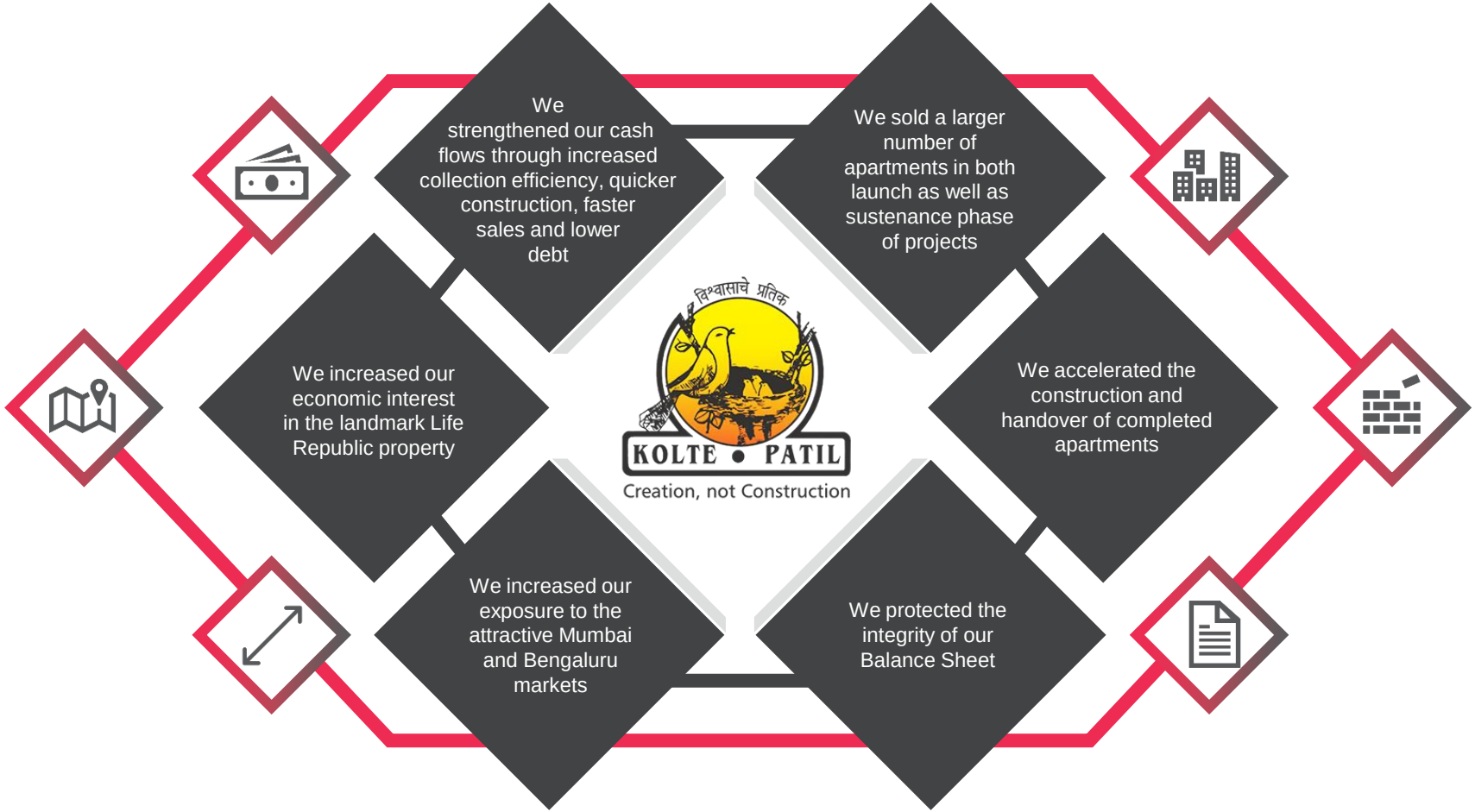
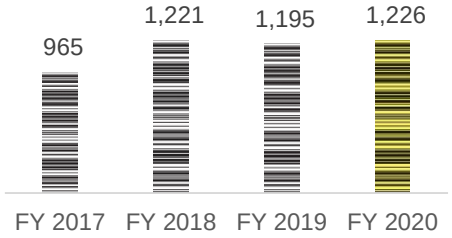
Mumbai Presence - Expanding Footprint

6 ways we built a stronger Company over the last few years

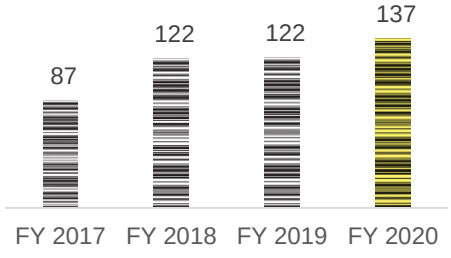


Performance Highlights – Last Four Years

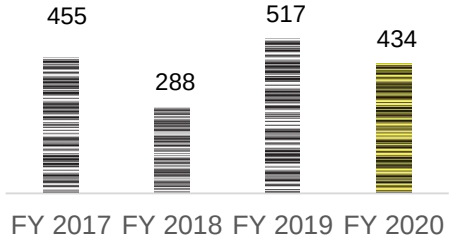
Revenue, Rs. Crore



PAT, Rs. Crore

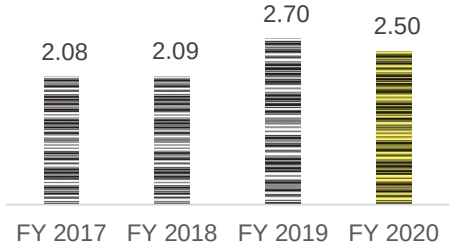


Net Debt, Rs. Crore

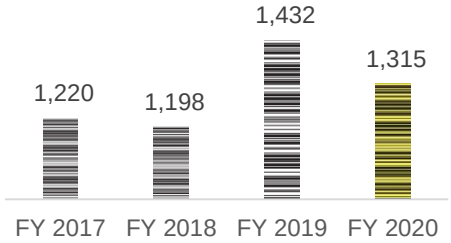


Note: The Company has adopted IND AS 115 during Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method. In order to facilitate like-to-like comparison and continuity of information flow, financials based on the erstwhile applicable Percentage of Completion Method (POCM) of accounting for revenue recognition have been shown above.

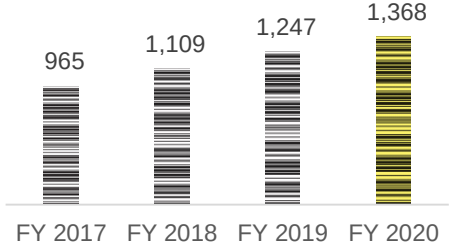
Sales Volume, mn sq. ft.



Sales Value, Rs. Crore



Collections, Rs. Crore

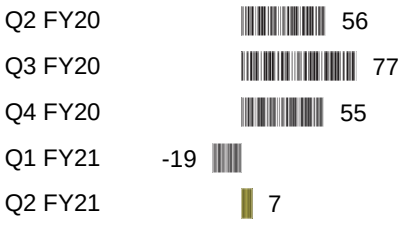


Note: Volume in million square feet is based on saleable area; Collections include contribution from DMA projects

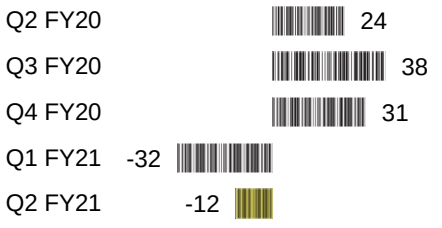
Performance Highlights – Q2 FY21

Revenue, Rs. Crore

EBITDA, Rs. Crore



PAT, Rs. Crore



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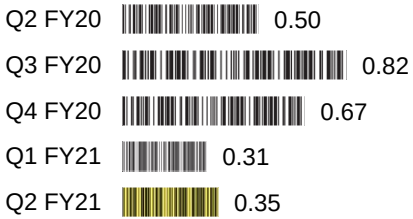
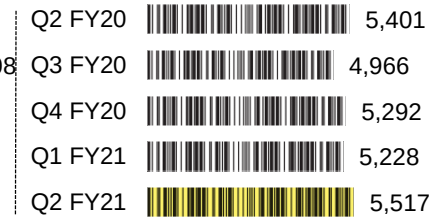
Sales Volume, mn sq. ft.



Sales value, Rs. Crore

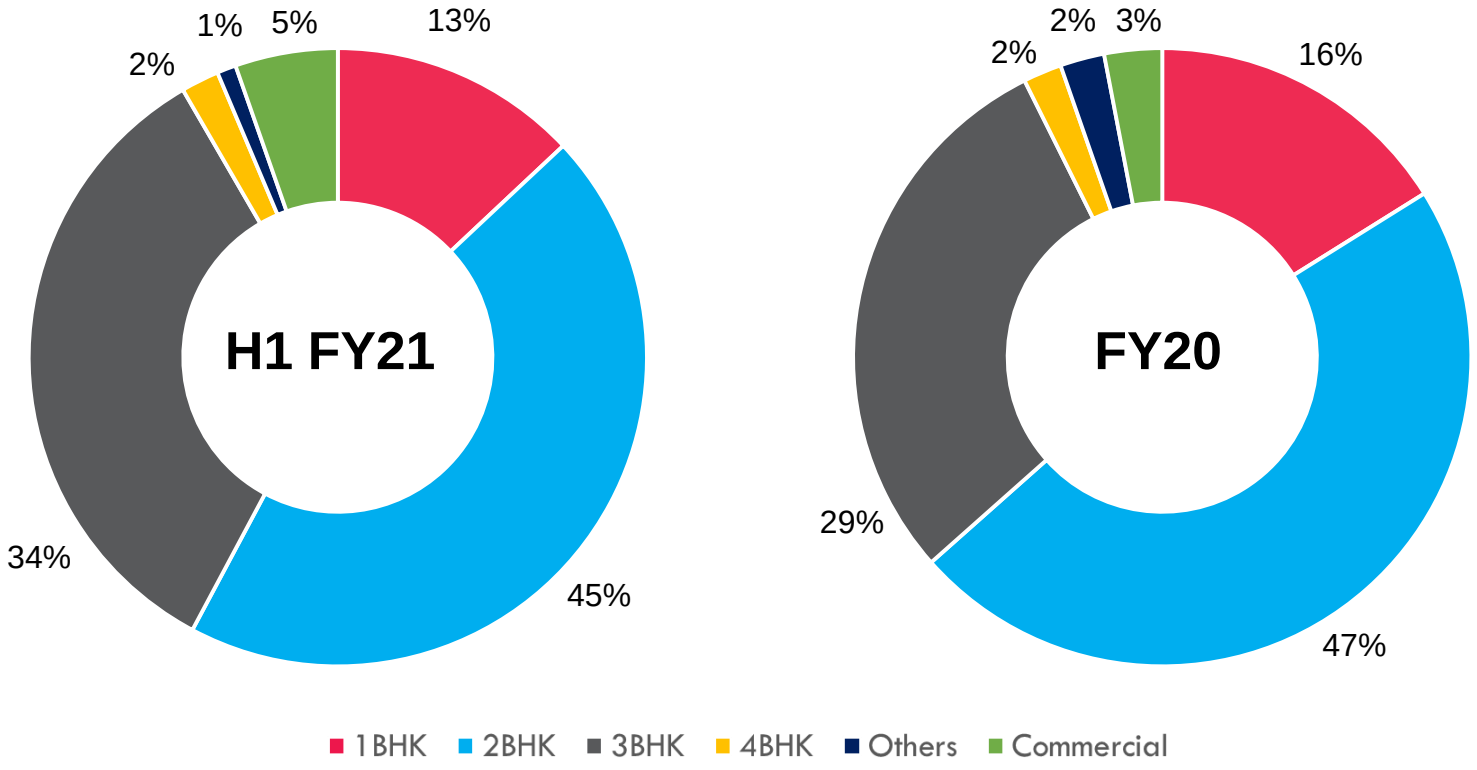
APR, Rs./sft.



Collections, Rs. Crore

Note: Volume in million square feet is based on saleable area;
Collections include contribution from DMA projects (Q1 FY20 – Rs. 17 cr, Q2 FY20 – Rs. 16 cr, Q3 FY20 Rs. 13 cr, Q4 FY20 – Rs. 9 cr, Q1 FY21 – Rs. 4 cr, Q2 FY21 – Rs. 8 cr)

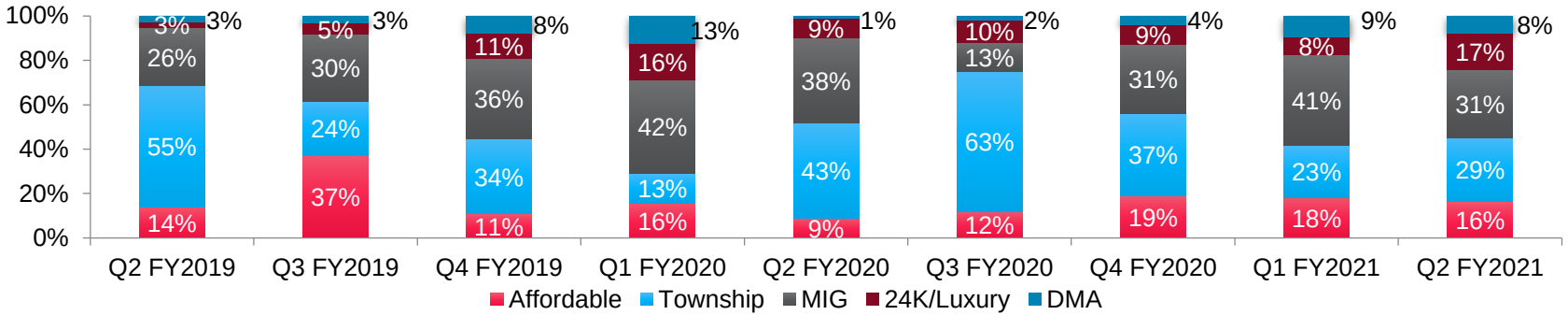
Product-wise Sales



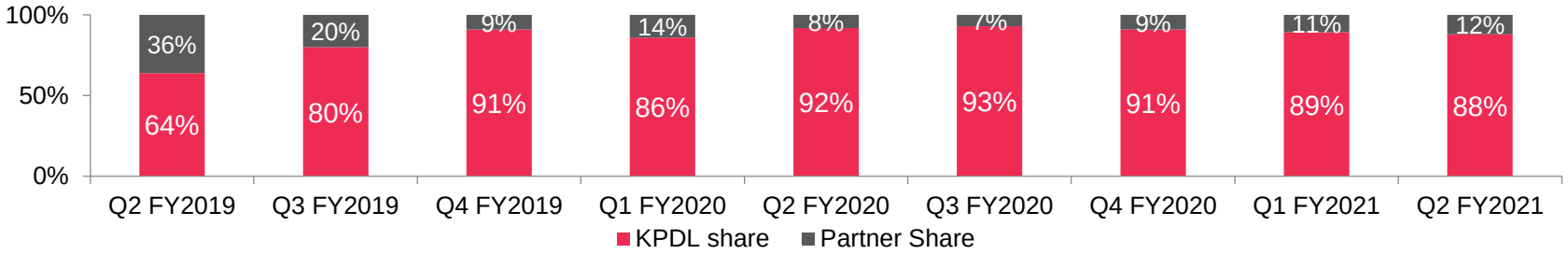
Note: *The category of 'Others' includes Duplex, Row House and Plots.*

New Sales Analysis – Q2 FY21

msf.	0.77	0.80	0.63	0.51	0.50	0.82	0.67	0.31	0.35



Affordable – Ivy estate, Three Jewels | **Township** – Life Republic | **MIG** – Western Avenue, Centria, Tuscan, Bengaluru Projects | **Luxury** – Opula, Atria, Jai-Vijay, Grazio, Stargaze



Note: Volume in million square feet is based on saleable area

Abridged Cash Flows

Abridged Cash flows - Unaudited (Rs. crore)	Q1 FY21 (Un-Audited)	Q2 FY21 (Un-Audited)	H1 FY21 (Un-Audited)
Opening Balance	97	77	97
Operating Cashflow			
Collections	100	193	293
Construction Cost	-53	-89	-143
Other Expenses	-30	-38	-68
Direct & Indirect Taxes	-3	-16	-19
Financing & Investing Activities			
Interest	-14	-14	-28
OD/CC Movement	-16	27	11
OCD/CCD (Redemption)/Subscription	0	5	5
Strategic Land Monetization	45	-	45
TDR/Premium Costs/Approval Cost	-9	-8	-17
JV Partner/Land Cost	-41	-21	-62
Tranche III Payment – LR Buyout	-	-20	-20
Closing Balance	**77**	**96**	**96**

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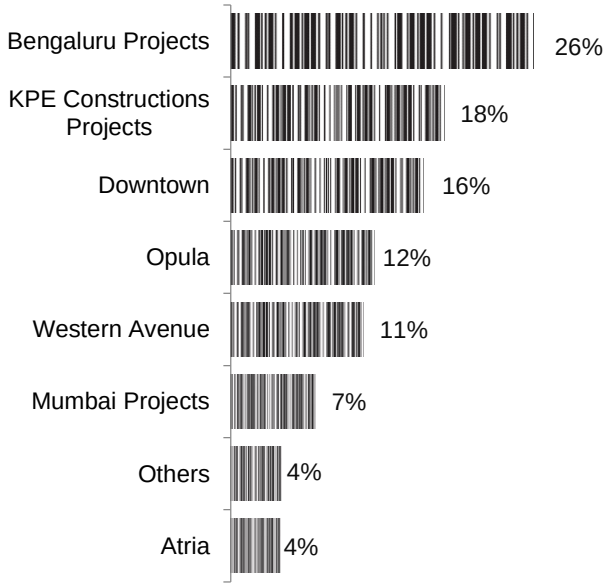
Consolidated Debt Profile

Consolidated Debt Profile (Rs. crore)	30th September, 2020		31st March, 2020	
	CCM	POCM^	CCM	POCM^
Net Worth	**861**	**1,188**	**905**	**1,229**
Gross Debt	**744**	**744**	**728**	**728**
Less: OCD / CCD / OCRPS / Zero Coupon NCD*	**201**	**201**	**196**	**196**
Debt	**543**	**543**	**532**	**532**
Less: Cash & Cash Equivalents & Current Investments	**97**	**97**	**98**	**98**
Net Debt	**446**	**446**	**434**	**434**
Net Debt to Equity	**0.52**	**0.38**	**0.48**	**0.35**

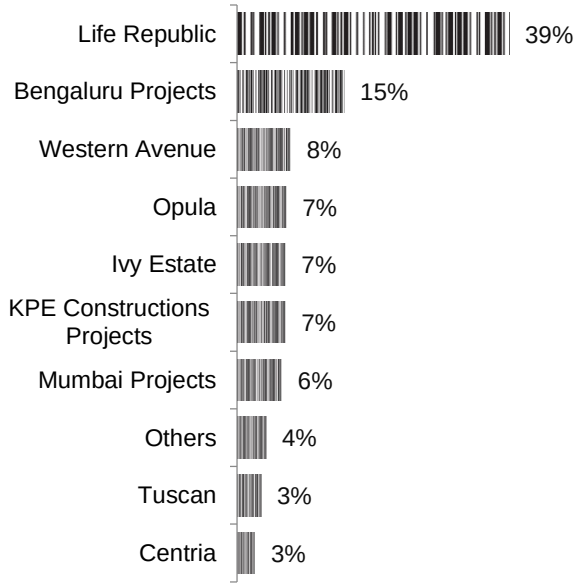
**Issued to KKR in Life Republic Township; ^Company Calculations*

Revenue Recognition – Q2 FY21 vs Q2 FY20

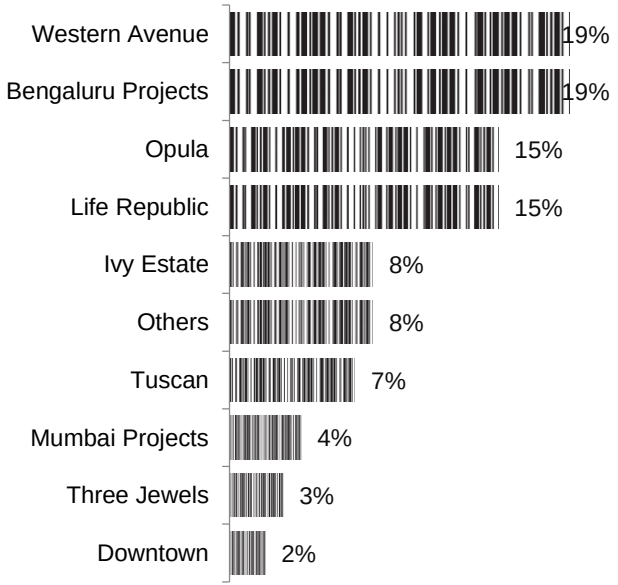
Q2 FY21 – Rs. 65 crore (CCM)



^Q2 FY21 – Rs. 170 crore (POCM)



^Q2 FY20 – Rs. 302 crore (POCM)



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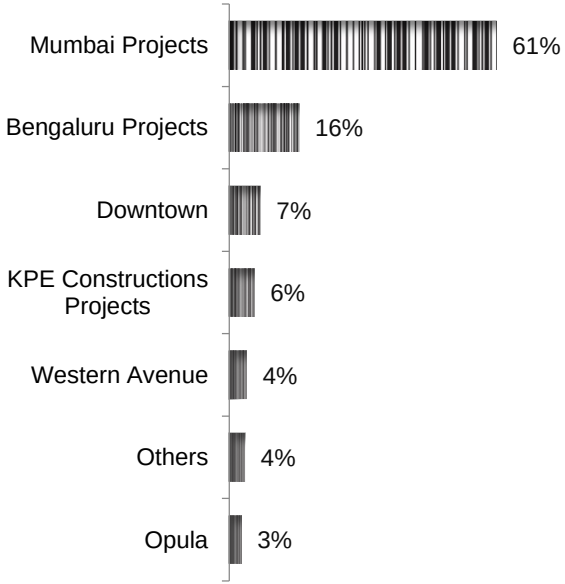
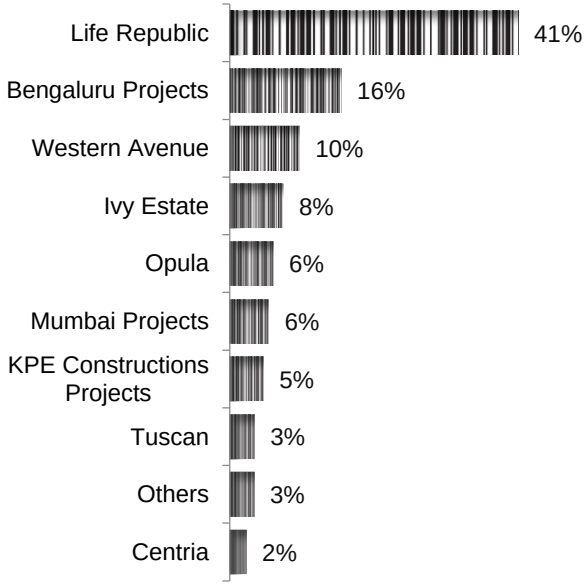
Revenue Recognition – H1 FY21 vs H1 FY20

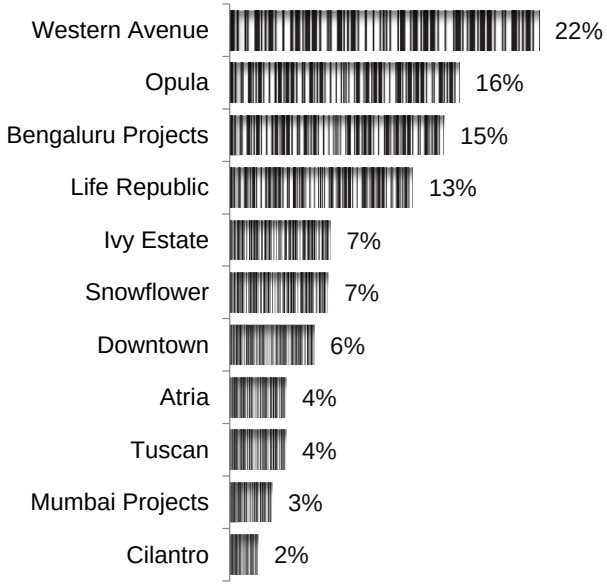
H1 FY21 – Rs. 205 crore (CCM)



H1 FY21 – Rs. 247 crore (POCM)



H1 FY20 – Rs. 610 crore (POCM)



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Profit and Loss Snapshot – Q2 FY21 vs Q2 FY20

P&L Snapshot (Rs. crore)	Q2 FY21*	Q2 FY20	Q2 FY21	Q2 FY20^
Revenue Recognition Method	Reported CCM	Reported CCM	POCM	POCM
Revenue from Operations	64.6	191.9	169.8	301.7
Cost of materials consumed	44.4	116.4	129.9	201.7
Employee benefits expense	17.8	14.9	17.8	14.9
Depreciation	3.5	4.8	3.5	4.8
Other expenses	12.0	28.7	14.8	28.7
Total Expenses	77.6	164.7	166.0	250.1
EBITDA	-9.5	31.9	7.3	56.4
EBITDA Margin (%)	-14.7%	16.6%	4.3%	18.7%
Finance cost	19.0	21.5	19.0	21.5
Other income	2.9	3.4	2.9	3.4
Profit before tax	-29.2	9.06	-12.3	33.6
Total tax expenses	-6.2	23.6	-0.7	6.2
Net profit after tax (pre-MI)	-23.0	-14.6	-11.6	27.3
Non-controlling interests	-1.13	-0.59	0.52	3.31
Net Profit (post-MI)	-21.9	-14.0	-12.1	24.0
EPS	-2.88	-1.84	-1.59	3.15

REASONS FOR VARIANCE (POCM)

- ≈ Post enforcement of lockdown and resultant substantial migration, labourers returned meaningfully mid-Aug onwards. This resulted in construction spend less than 50% of capacity and lower revenue recognition
- ≈ Profitability mainly impacted by lower revenues and low margin projects

**Note: The Company has adopted IND AS 115 (Completion Contract Method – CCM) during Q1 FY19, effective from 1st April 2018 and has opted for modified retrospective method; ^In order to facilitate like-to-like comparison and continuity of information flow, financials based on the previously applicable Percentage of Completion Method (POCM) of accounting for revenue recognition have also been included.*

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Profit and Loss Snapshot – H1 FY21 vs H1 FY20

P&L Snapshot (Rs. crore)	H1 FY21*	H1 FY20	H1 FY21	H1 FY20^
Revenue Recognition Method	Reported CCM	Reported CCM	POCM	POCM
Revenue from Operations	205.4	777.6	247.2	609.7
Cost of materials consumed	170.6	469.0	199.2	404.1
Employee benefits expense	34.7	29.9	34.7	29.9
Depreciation	6.9	9.5	6.9	9.5
Other expenses	22.2	51.7	25.0	51.7
Total Expenses	234.4	560.0	265.8	495.1
EBITDA	-22.1	227.0	-11.7	124.1
EBITDA Margin (%)	-10.7%	29.2%	-4.7%	20.3%
Finance cost	37.7	44.7	37.8	44.7
Other income	6.0	33.6	6.0	33.6
Profit before tax	-60.7	206.5	-50.4	103.5
Total tax expenses	-10.0	90.3	-7.2	31.0
Net profit after tax (pre-MI)	-50.7	116.2	-43.2	72.5
Non-controlling interests	-1.84	14.29	0.64	3.99
Net Profit (post-MI)	-48.9	101.9	-43.8	68.5
EPS	-6.43	13.38	-5.77	8.99

REASONS FOR VARIANCE (POCM)

- Other income in H1 FY20 includes ~Rs. 28 crore towards fair valuation of OCD's linked to FSI towards ICICI Venture buy-out in Life Republic.

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Sales & Collections – Ongoing Projects – Q2 FY21

Projects	Location	Area Sold (msf.)	Sales Value (Rs. mn.)	APR (Rs./sft.)	Collections (Rs. mn.)
Life Republic	Hinjewadi, Pune	0.10	496	4,932	697
Ivy Estate	Wagholi, Pune	0.04	177	5,003	180
Tuscan	Kharadi, Pune	0.01	62	6,433	202
Western Avenue	Wakad, Pune	0.01	58	6,830	108
24K Opula	Aundh, Pune	0.02	164	6,996	164
Three Jewels	Kondhwa, Pune	0.02	103	4,565	93
Stargaze	Bavdhan, Pune	0.02	127	5,942	37
Centria	NIBM,Pune	0.02	119	4,989	68
DMA	Wagholi,Pune	0.04	181	4,132	75
Other Projects		0.03	148	5,688	121
Total (Pune Projects)		**0.32**	**1,636**	**5,189**	**1,745**
Raaga	Hennur Road, Bengaluru	0.019	94	4,944	40
Mirabilis	Horamavu, Bengaluru	0.001	6	4,986	60
Exente	Hosur Road, Bengaluru	0.010	54	5,329	78
Total (Bengaluru Projects)		**0.030**	**153**	**5,021**	**178**
Jai-Vijay Society	Ville Parle (E), Mumbai	0.007	155	23,511	84
Total Mumbai Projects)		**0.007**	**155**	**23,511**	**84**
Total (Pune + Bengaluru + Mumbai Projects)		**0.35**	**1,944**	**5,517**	**2,007**

Note: APR shown is net of Anti Profiteering Benefit passed on to customers per transitional requirement under GST Act *; volume in million square feet is based on saleable area*

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KPDL Project Portfolio – 30.09.20

Projects	KPDL Share	Gross Details (including partner's share) Ongoing & Unsold	Under Approval*	Land Bank
Jazz II (Opula)	100%	0.01	-	-
Atria	100%	0.03	-	-
Giga Residency	100%	-	0.60	-
Stargaze	62%	0.48	-	-
Western Avenue	100%	0.09	-	-
Ivy Estate	100%	0.49	-	-
Downtown	100%	0.01	0.60	-
Life Republic^	95%	1.36	2.80	10.35
Tuscan	51%	0.02	-	-
Three Jewels	30%	0.54	-	-
Cilantro	50%	0.01	-	-
Green Olive Venture	60%	0.02	-	-
Centria	100%	0.22		-
Pimple Nilakh	100%		0.60	-
Ghotawade	50%	-	-	3.20
Aundh	100%	-	-	1.00
Kalyani Nagar	100%	-	-	1.00
Wagholi	36%		0.25	0.00
Boat Club Road	100%	-	0.36	-
Pune Total:		**3.28**	**5.21**	**15.55**

Projects	KPDL Share	Gross Details (including partner's share) Ongoing & Unsold	Under Approval*	Land Bank
Jai Vijay	100%	0.04	-	-
Other Mumbai projects	100%	-	0.53	0.67
Mumbai Total:		**0.04**	**0.53**	**0.67**

Projects	KPDL Share	Ongoing & Unsold	Under Approval*	Land Bank
Raaga	100%	0.17	-	-
Mirabilis	70%	0.01	-	-
Exente	100%	0.23	-	-
24K Grazio	100%	0.18	-	-
Bengaluru Total:		**0.59**	**0.00**	**0.00**

Overall Projects		Ongoing & Unsold	Under Approval*	Land Bank
Total:	**25.86**	**3.90**	**5.74**	**16.22**

DMA Projects	Ongoing & Unsold	Under Approval*	Land Bank
DMA	**0.17**	**0.93**	**-**

**Upcoming projects in the next 12 months*

Note: Saleable area in million square feet based on current FSI norms and subject to change; ^Total FSI potential is 1.7 in Life Republic; Current potential has been considered based on a FSI of 1.0

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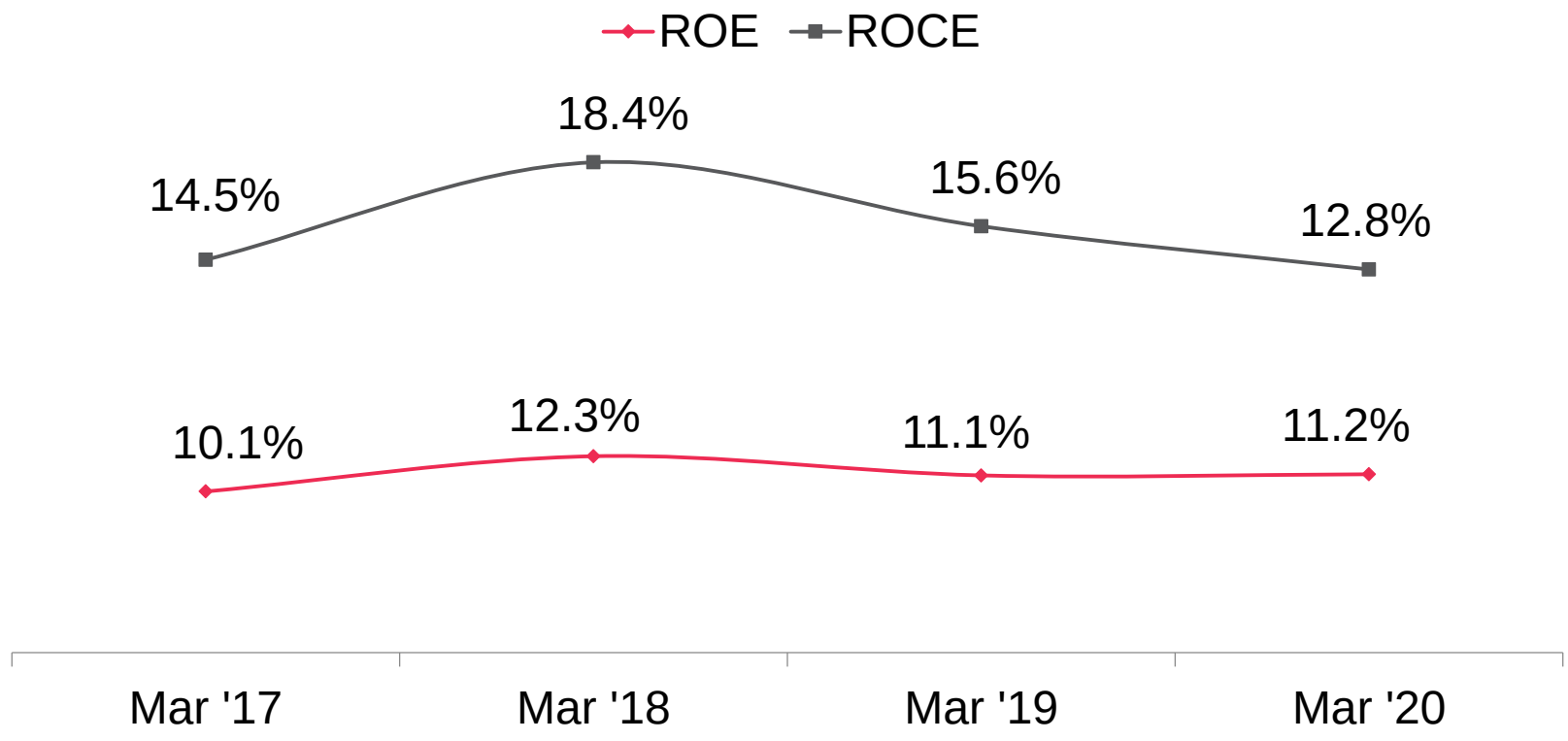
Healthy Return Ratios



Note: Numbers on POCM basis

Business Outlook

Sector consolidation

- First round of consolidation resulted from implementation of RERA and GST benefiting organized, execution-focused developers.
- Covid-19 to result in second round of consolidation and benefit strong balance sheet developers like KPDL

Diversifying geographical presence

- 10 society redevelopment projects in Mumbai - 2 completed, 3 nearing launch, 5 future projects
- Mumbai and Bengaluru expected to grow to ~25% of sales by 2022

Efficient capital deployment

- Continue to evaluate strategic and financial partnerships that enable us to scale our operations while limiting capital commitment

Demand

- Lowest inflation-adjusted home prices in many years, sharp decline in interest rates and stamp duty cuts have considerably improved affordability and overall consumer sentiment
- Freebies, discounts, payment plans are driving home buyer interest

Operational Excellence

- Focus to be faster sales, approvals, construction and collection
- Strong digital connect to act as an incremental sales channel
- Prudent investments in technology to reduce construction time

Healthy RoCE

- Successful implementation of strategy driving strong return profile with avg. ROCE of 15+% for last four years
- Looking at further scale benefits in Pune and greater Bengaluru/Mumbai contribution

Consolidating position in Pune

- KPDL is leveraging its strong brand name/market position to accelerate development and launch subsequent phases of ongoing projects

New project acquisition

- Targeting acquisitions of 10-12 msf additional land bank through outright/structured deals and JVs/DMAs with land owners and other developers

Launch Calendar – Next 9 months

- 3 cities – Pune, Mumbai & Bengaluru
- ~4.5 msf of saleable area
- ~Rs. 4,150 crore of topline potential

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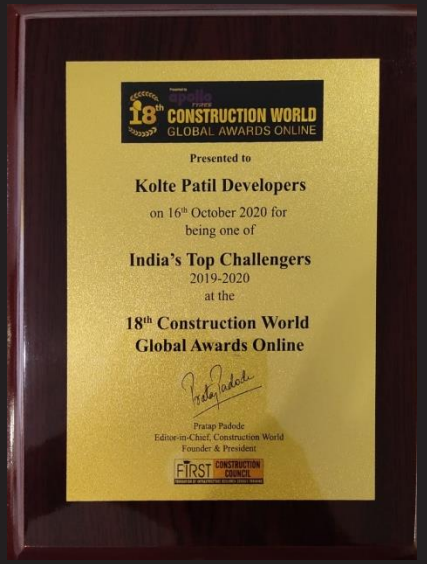
Awards & Recognition

Top Developer of the year - KPDL
by Times Real Estate Icons west 2020



India's Top Challengers 2019-20
by Construction World Global Awards Online

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Awards & Recognition

Integrated Township of the Year - LR
by Realty+ conclave & Excellence Awards- West 2020

Top Township projects (above 350 acres)- LR
by Times Real Estate Icons West 2020

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Awards & Recognition

Brand Excellence in Real Estate Sector by ABP News

About Kolte-Patil Developers Ltd.

Kolte-Patil Developers Ltd. (BSE: 532924, NSE: KOLTEPATIL), incorporated in 1991, is a leading real estate company with dominant presence in the Pune residential market. Kolte-Patil is a trusted name with a reputation for high quality standards, design uniqueness, transparency and the delivery of projects in a timely manner. The company has developed and constructed over 50 projects including residential complexes, commercial complexes and IT Parks covering a saleable area of ~20 million square feet across Pune, Mumbai and Bengaluru.

Kolte-Patil markets its projects under two brands: 'Kolte-Patil' (addressing the mid-income segment) and '24K' (addressing the premium luxury segment). The Company has executed projects in multiple segments – standalone residential buildings and integrated townships. Several of the company's projects have been certified by the Indian Green Building Council (IGBC).

Consolidating its leadership position in Pune, the company forayed into the Mumbai market in 2013 focusing on low capital intensive society re-development projects. The company has already signed 10 projects till date at prime locations across the city.

The Company's long-term bank debt and non-convertible debentures have been rated 'A+ / Stable' by CRISIL, the highest rating accorded by CRISIL to any publicly listed residential real estate player in India.

For more details on Kolte-Patil Developers Ltd., visit www.koltepatil.com

For further information, please contact:

Vikram Rajput

Head – IR & Corporate Finance

Kolte-Patil Developers Ltd.,

502, The Capital, BKC, Mumbai

Tel: +91 960 799 6930

Email: vikram.rajput@koltepatil.com

Shiv Muttoo / Karl Kolah

CDR, India

Tel: +91 983 355 7572/ +91 983 301 0478

Email: shiv@cdr-india.com

karl@cdr-india.com

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